Well let me say it's great to be out of Canberra and here in Gosford on the New South Wales Central Coast.

I hope you don't mind if I begin by referring to another launch that took place yesterday.

Yesterday, I launched the international television production "The Global Economy" - a distance learning production, put together by the ABC, Monash University and the Open Learning Agency.

One of the great things about that production, and Open Learning in general, is that it allows anyone who wishes to enrol in a distance learning course to do so - regardless of background, prior experience, or educational qualifications.

What Open Learning does is to bring higher education to those who want it - it's flexible and it's customer-focused.

It's a similar story with the Australian National Traineeship Foundation which we announced in the White Paper on Employment and Growth, Working Nation.

But whereas the Open Learning initiative is focused on those Australians in higher education, this initiative is focused on younger Australians in years 11 and 12.

The whole aim of the Foundation is to get schools and industry together to combine work experience with high quality vocational training.

It's about equipping our senior schools students with the skills they'll need if they are to have satisfying and rewarding jobs in an increasingly competitive global economy.
We want to see senior school students with recognised vocational skills as part of their standard school program.

This is a fundamental shift in Australia's approach to vocational education and training. It's a shift that will benefit the careers and life chances of thousands of young Australians.

But to make the shift we need leadership in our local communities, and particularly from industry.

To help chart the way, a number of outstanding Australians, each with a strong background in the vocational training field, have agreed to serve as members on the Foundation's Board. And it's a great pleasure to welcome the Board members who are with us today.

I won't refer to each Board member individually, but let me just mention how pleased I am that John Goodman will chair the Board.

John has had extensive industry experience as Chairman and Chief Executive of Baulderstone Hornibrook. He has also had extensive involvement in promoting education and training for young people through his Chairmanship of the Dusseldorp Foundation which has pioneered student traineeships.

One of the most important things about this Board is that the majority of its members are from industry.

This is critical because under the Foundation, it will be industry, and not government, that has control over the funding for entry level training.

It will be industry, and not government, that has responsibility for selecting the training to be undertaken.

And it will be industry, not government, that provides the work experience that will make the training meaningful.

Under the Foundation, local management committees, chaired by industry and with majority industry membership, will be able to choose the most appropriate forms of training from a range of public and private sources.

Students will acquire the skills that industry needs because industry will teach them.

So why are we doing this?

In the White Paper, we were at pains to stress that Australia's future depends on the ideas, skills, and knowledge of our workforce.
As we said then, if Australia is to be a nation with a high value-added export-oriented economy generating rewarding jobs for all Australians who want them, we must find new and more effective ways of equipping the workforce of tomorrow with the skills they will need.

The fact remains that despite great gains in the last decade that have seen school retention rates almost double, around 14 per cent of young people still drop out of school.

The risk is that these people might be left behind as we head towards a new century.

I don't want that to happen. I want us to approach the new century with confidence, but above all else, with one another, together, as an inclusive society, as an Australian community.

That's the philosophy that underpinned *Working Nation*. And that's what we are giving expression to today through the launch of this Foundation.

Student traineeships must be quality courses that enable young people to find satisfying and rewarding jobs.

But while the traineeships are important, it's what they lead to that really counts.

So, why come here to Gosford? Why not announce this new initiative in Sydney, Melbourne, or Canberra?

Well, I suppose we could have travelled to a number of places in Australia - there are many innovative and successful student traineeships already underway right around the country.

We could have travelled to Alcoa's plant in Geelong, where student trainees complete their Victorian Certificate of Education at the same time they complete 16 engineering modules.

But the reason we've decided to come here to Gosford is because the Central Coast TRAC Program is one of the most successful in Australia and that makes it the best place to launch the Australian Student Traineeship Foundation.

Run from this shopping centre, the Central Coast TRAC is independently managed and operated by a joint industry, school and TAFE committee.

Not only does industry help develop the TRAC curriculum, it also contributes towards the running costs for the program both financially and through assistance in kind - many of the businesses represented here today have trainees working with them.
But it's a real joint effort: the local newspaper, the Central Coast Express, plays its part by providing a weekly student profile free of charge and the local councils and Rotary clubs also chip in with their support for the program.

And the reason why the Central Coast TRAC program succeeds, why all of the TRAC students who left school last year are in full-time jobs, is because of the combined efforts of the schools, the students, TAFE, industry and the wider community.

It's a story of students with initiative and enthusiasm responding to opportunities created by leaders in the local community.

It's the story of Steven Macarthur who participated in the TRAC program in 1993 and earlier this year beat more than 1,500 other applicants in gaining a hospitality traineeship at the Sydney Hilton.

And it's also a story with an international profile thanks to Lesley Tobin, Nichole Ford and Natalie Cruikshank. Last month, these three women - the TRAC coordinator, a TRAC student, and a TRAC workplace supervisor - attended the Second International Conference on Education Business in Paris. There, they presented the Central Coast TRAC as a best practice model for school industry partnerships.

That's a great achievement, particularly for someone like Nichole who only a short time ago was on the verge of quitting school. It's the sort of achievement that deserves to be celebrated.

What we want to do now with this new Foundation is to have stories like this one echo right around Australia.

Through the student traineeships we want to encourage more young people to stay on at school and acquire the skills they need for the jobs of tomorrow.

Let me finish up on the important theme of leadership. By launching the Foundation what we are hoping to tap into is the vast leadership reserves that lie within our local communities, in our local schools but primarily in our local business communities.

As the recent McKinsey report on regional development pointed out, leadership within a regional community is often the key reason why one region prospers while another fails.

It's that sort of leadership that has been exercised here on the New South Wales Central Coast.
I congratulate all those associated with the Central Coast TRAC program and I take great pleasure in formally launching the Australian Student Traineeship Foundation - what I think is a truly major step in vocational training in this country.

Thank you.